



House of Representatives

General Assembly

File No. 255

February Session, 2002

House Bill No. 5103

House of Representatives, April 2, 2002

The Committee on Planning and Development reported through REP. DAVIS of the 50th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE DISPOSITION OF STATE-ASSISTED HOUSING PROPERTIES IN DEFAULT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-37x of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2002*):

3 (a) As used in this section, "authority" or "housing authority" means
4 any of the public corporations created by section 8-40 and the
5 Connecticut Housing Authority when exercising the rights, powers,
6 duties or privileges of, or subject to the immunities or limitations of,
7 housing authorities pursuant to section 8-121, and "housing project"
8 means a project developed or administered pursuant to chapter 128.

9 (b) Without limiting any other powers of the Commissioner of
10 Economic and Community Development, he shall have power: (1) To
11 collect and correlate information regarding housing projects of
12 authorities in the state and upon request to furnish the authorities, in

13 matters of common interest, information, advice and the services of
14 expert personnel; (2) to study state-wide needs for the elimination of
15 substandard housing to stimulate state and city planning involving
16 housing, and otherwise to study housing needs, both rural and urban,
17 and to formulate proposals for meeting these needs; (3) to study
18 methods of encouraging investment of private capital in low rent
19 housing; (4) to study the necessity, feasibility and advantage of the use
20 of state credit by way of loan or subsidy to assist the financing of
21 housing projects for persons of low income; and (5) to accept grants-in-
22 aid of any of his powers made pursuant to the provisions of any state
23 or federal law and, for the purpose of complying with the
24 requirements or recommendations of any such law, to prepare such
25 plans and specifications and to make such studies, surveys, reports or
26 recommendations concerning existing or contemplated housing
27 conditions or projects in the state as may be necessary or appropriate.

28 (c) Notwithstanding any other provision of the general statutes, the
29 Commissioner of Economic and Community Development may, after
30 conducting a public bidding process as provided in section 8-44, enter
31 into a master contract or contracts with local, regional or state-wide
32 suppliers of labor, supplies, materials, services or personal property on
33 behalf of one or more housing authorities operating state-financed
34 housing programs or projects. The commissioner may also approve the
35 use by housing authorities, for state-financed programs or projects, of
36 the federal General Services Administration Standard Purchasing
37 Catalog, and amendments thereto, or of the consolidated supply
38 program of the United States Department of Housing and Urban
39 Development in lieu of purchases under such master contract or
40 contracts. The commissioner may, in his discretion, with respect to
41 partially completed state-financed programs or projects or in the event
42 of emergencies affecting human health, safety, welfare and life or
43 endangering property, waive the bidding requirement and fiscal limits
44 of said section 8-44.

45 (d) The Commissioner of Economic and Community Development
46 may designate as his agent any deputy commissioner or any employee

47 to exercise such authority of the commissioner as he delegates for the
48 administration of any applicable statute or regulation.

49 (e) As used in this subsection, "troubled loan" means a loan in which
50 payments of interest or principal, or both interest and principal, (1) are
51 delinquent under the terms of a loan agreement, or (2) may become
52 delinquent under conditions which exist which would reasonably lead
53 the Commissioner of Economic and Community Development to
54 believe that a borrower would be unable to repay the loan. Said
55 commissioner may authorize the deferred payments of interest or
56 principal, or both interest and principal, or a portion thereof, in the
57 case of a troubled loan made by the commissioner under any provision
58 of the general statutes or special acts if he determines the deferral to be
59 in the best interests of the state. Such determination shall be in writing
60 and shall include a statement of the reasons why the deferral is in the
61 best interests of the state. Any deferral made under the provisions of
62 this section shall be subject to the approval of the State Bond
63 Commission.

64 (f) Upon an action by the Commissioner of Economic and
65 Community Development to preserve the state's interest in any
66 contract for financial assistance that results in the state acquiring title
67 to any housing property, the commissioner shall be deemed to be an
68 eligible developer, as defined in section 8-39, for the purposes of
69 operating the property and receiving state or federal financial
70 assistance on behalf of the property or the operation of the property.

71 [(f)] (g) The Commissioner of Economic and Community
72 Development [shall] may adopt regulations, in accordance with the
73 provisions of chapter 54, [such regulations as may be necessary] to
74 carry out the purposes of the Department of Economic and
75 Community Development as established by statute.

This act shall take effect as follows:	
Section 1	July 1, 2002

HSG *Joint Favorable C/R*

PD

PD *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Fund-Type	Agency Affected
GF - None	Econ. & Com. Development, Dept.

Note: GF=General Fund

Municipal Impact: None

Explanation

This bill gives the Commissioner of the Department of Economic and Community Development (DECD) the authority to act as a developer on non-performing properties taken over by the state so that subsidies, services and funding are not interrupted. The bill also allows, rather than requires, the commissioner of DECD to adopt regulations to implement the department's statutory purposes.

It is anticipated that passage of this bill will not increase agency workload, thus there is no fiscal impact.

OLR Bill Analysis

HB 5103

***AN ACT CONCERNING THE DISPOSITION OF STATE-ASSISTED
HOUSING PROPERTIES IN DEFAULT*****SUMMARY:**

This bill allows the economic and community development commissioner to operate a housing project and receive state and federal funds on its behalf after he acquired it to preserve the state's interest under the contract that initially funded it. It also allows, rather than requires, him to adopt regulations implementing the department's statutory purposes.

EFFECTIVE DATE: July 1, 2002

COMMITTEE ACTION

Select Committee on Housing

Joint Favorable Change of Reference

Yea 9 Nay 0

Planning and Development Committee

Joint Favorable Report

Yea 17 Nay 0